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## Russian Federation

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### Russian Agricultural Policy and Situation Bi-Weekly Update - 5

**Report Categories:**

Agriculture in the News

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**Report Highlights:**

The Minister of Agriculture reports on the status of farmer subsidies...Russian Ministry of Agriculture says rice production hurt by WTO accession...Ministry of Agriculture, Moscow Government and Arkhangelsk Oblast organize Moscow fish fair...The Russian Government adopts subsidies for family farms as well as other initiatives such as grape plantations...New Zealand suspends Free Trade Agreement talks with the Customs Union...Armenia has already implemented about half of the measures needed to join the Customs Union... and various news items from the Russian and Belarusian Veterinary Service.

## **General Information:**

### **Russian Minister of Agriculture Nikolay Fyodorov Reported on the Status of Subsidy Distribution to Farmers.**

On February 27<sup>th</sup>, at a meeting of the Russian Government, the Minister of Agriculture of Russia, Nikolay Fyodorov, reported on the distribution of interest rate subsidies on investment loans, with these subsidies totaling 39,554 billion rubles (\$1.1 billion), including support projects in crop production – 9,115 billion rubles (\$253 million), and in livestock – 30,439 billion rubles (\$846 million). Total federal and regional funds allocated for these purposes are estimated at 55,276 billion rubles (\$1.5 billion). Minister Fyodorov also informed about the distribution of subsidies designed to support young farmers (1.9 billion rubles, \$52 million) and the development of family livestock farms (1,425 billion rubles, \$39.6 million). Nikolay Fyodorov said that in 2014 the Ministry of Agriculture is planning to provide grant support to 2203 young farmers and 361 peasant farmers which are developing family livestock farms. This is expected to create 7,000 new jobs in rural areas.

<http://mcx.ru/news/news/show/21072.355.htm>

### **Ministry of Agriculture States Domestic Rice Industry Suffered Russia's WTO Accession and Needs Additional Support**

P. Chekmarev, the Director of Crop Production Department of the Russian Ministry of Agriculture, reported that the Russian rice industry suffered from Russian's WTO accession more than any other crop industry. He reported that import duties were reduced and imports increased. He also reported that the cost of production of domestic rice increased due to increased prices of all inputs, especially water, and large outstanding debts. As a result the development of domestic rice industry has almost ceased. He stated that the Ministry of Agriculture is not considering appealing to the WTO for a revision of import duties, but will instead lobby for increased support of domestic rice industry in 2014 from the federal budget. <http://news.mail.ru/economics/17271649/>

### **Ministry of Agriculture of the Russian Federation Together with Moscow Government supported the First Fish Fair in Moscow**

The Ministry of Agriculture of the Russian Federation together with the regional Fishery Agency of Arkhangelsk oblast and the Moscow Department of Commodity and Services organized the first fish fair, which took place in Preobrazhenskiy market, located in the eastern district of Moscow. Russian Ministry of Agriculture officials, the Deputy governor of Arkhangelsk oblast, the Head of the regional fishery agency and several representatives of the Moscow City municipal administration participated in the opening ceremony. The main objective of the fair is to support local producer and raise awareness among population about domestically produced fish and seafood. One of the largest fishery facility in Arkhangelsk, "Arkhangelsk Trawler Fleet", and its regional distributor "Arkhangelsk Fishing Company" showcased and sold a wide variety of frozen, canned and smoked fish products from that region, including cod liver, salmon, halibut, mackerel, rockfish and other products. The Russian Ministry of Agriculture encouraged other companies from Russian fishing regions to continue the initiative and turn fish fairs into traditional events in Russia.

<http://mcx.ru/news/news/show/21211.355.htm>

### **Russian Government Adopts Order 261-p on Distribution of Subsidies for Support of Various Subsectors for Crop Production in 2014.**

The Government of the Russian Federation adopted draft Order # 261-p dated February 25, 2014. The distribution of subsidies from the federal to the regional budget for these specific subsectors is carried out within the budget allocations, envisaged to the Ministry of Agriculture of Russia in 2014, in the amount of 1,907 billion rubles (\$53 million), including for support of elite (high-quality) seed production – 487.5 million rubles (\$13.5 million), establishing grape plantations – 299.8 million rubles (\$8.3 million), reclamation of deforested lands – 104.9 million rubles (\$2.9 million), for planting perennial grasses – 475 million rubles (\$13.2 million), purchasing seeds and delivery cost to the Russian FAR North - 204 million rubles (\$5.7 million), and the other activities. Calculated level of co-financing for these activities from regional budgets is estimated at 18 percent, at the amount of 419 million rubles (\$11.6 million). The total amount allocated for these activities from federal and regional budgets is estimated at 2,326 billion rubles (\$64.6 million).

<http://government.ru/docs/10833>

<http://mcx.ru/news/news/show/21319.355.htm>

### **Russian Government Adopts Order 254-p on Distribution of Subsidies for Support of Small (family) Farms**

The Government of the Russian Federation adopted draft Order # 254-p dated February 25, 2014 on distribution of subsidies to small (family) farms. The distribution of subsidies from the federal to the regional budgets is carried out within the budget allocations, envisaged to the Ministry of Agriculture of Russia in 2014, in the amount of 4,750 billion rubles (\$132 million).

Calculated level of co-financing to support small farms from regional budgets is estimated at 5 percent, or 250 million rubles (\$7 million). The total amount allocated for these activities from federal and regional budgets is estimated at 5 billion rubles (\$139 million).

The financial support will provide farmers with financing for spring field operations and attract credit resources for their activities.

<http://mcx.ru/news/news/show/20072.355.htm>

<http://government.ru/docs/10831>

### **New Zealand Suspends FTA Talks with the Eurasian Economic Commission**

According to TVNZ, the government of New Zealand announced that it is suspending talks with the Eurasian Economic Commission, regarding a potential Free Trade Agreement (FTA) with the Customs Union of Russia, Belarus, and Kazakhstan. For more information, see: <http://tvnz.co.nz/world-news/nz-puts-fta-russia-hold-over-ukraine-crisis-5856391>.

### **Armenia Implemented about Half of the Measures Needed to Join the Customs Union**

According to Radio Free Europe, Armenian Prime Minister, Tigran Sarkisyan, has indicated his country has implemented about half of the measures needed to join the Customs Union of Russia, Belarus, and Kazakhstan. According to the article, legislation regarding Armenia's accession to the Customs Union will be introduced in parliament by the end of March. For more information, see:

<http://www.rferl.org/content/armenia-customs-union-russia-belarus-kazakhstan/25273013.html>.

### **Belarus to go to EurAsEC Court Over Dairy, Meat Product Quality**

According to the Belarusian Telegraph Agency (BelTA), the Belarusian Agriculture and Food Minister, Leonid Zayats, indicated that Belarus intends to contact the Eurasian Economic Community Court in view of Russia's claims concerning the poor quality of Belarusian meat and dairy products. For more information, see: <http://news.belta.by/en/news/econom?id=740736>.

### **Russia Excludes Auctioning as a Method of Distributing Tariff-Rate Quota Volumes**

According to Russian press reports, Russia's Federal Law "On the Customs Tariff" was amended to exclude auctioning as a method of distributing tariff-rate quota volumes. As member of the Federation Council Committee on the Budget and Financial Markets noted, Russia sought to meet one of its WTO commitments through the amendment. For additional information, see:

[http://www.alt.ru/external\\_news/28599](http://www.alt.ru/external_news/28599).

### **Russia and Belarus Suspend Swine and Pork Imports from Ukraine**

According to Russian press reports, the State Veterinary and Phytosanitary Service of Ukraine stopped certifying live swine and pork products for export to Russia on February 3, 2014. According to BelTA, the Department of Veterinary and Food Supervision of the Ministry of Food and Agriculture of Belarus informed Ukraine, on February 28, 2014, that it was also restricting the import of live pigs and pork products. For additional information, see:

[http://translate.google.com/translate?hl=en&sl=ru&tl=en&u=http://www.alt.ru/external\\_news/28572&sandbox=0&usg=ALkJrhiEEoE\\_3IpfZDKsCwXSZdU-b7\\_-A](http://translate.google.com/translate?hl=en&sl=ru&tl=en&u=http://www.alt.ru/external_news/28572&sandbox=0&usg=ALkJrhiEEoE_3IpfZDKsCwXSZdU-b7_-A) and  
<http://news.belta.by/en/news/econom?id=741511>.

**CU Presidents to Sign Eurasian Economic Union Treaty No Later than May:** According to BelTA, the Presidents of Belarus, Russia, and Kazakhstan have confirmed their intention to sign the treaty on founding the Eurasian Economic Union within the previously determined time limits — in May 2014. For more information, see: <http://news.belta.by/en/news/president?id=741887>.